



New Requirements Effective May 11, 2018 for Legal Entities

As a valued Hawaii National Bank customer, keeping your account secure and up to date is one of our top priorities. We want you to be aware of federal regulations that will change how banking accounts for businesses and other legal entities are opened or modified. Effective **May 11, 2018**, all U.S. financial institutions will be subject to these changes under the Bank Secrecy Act.

What is changing?

In compliance with these new regulatory measures, Hawaii National Bank will collect beneficial ownership information on **each** natural person, if any, who owns 25 percent or more of the company, **and** one person who has significant managerial responsibility (like an executive officer or senior manager) any time an account is opened or maintained for a legal entity.

Why do you need this information?

The information we collect under federal law is intended to enhance the safety of the country's financial system by helping the government combat national security threats like terrorism and money laundering activities. Under the Bank Secrecy Act, we are required to obtain, verify and record identifying information for new and renewed accounts.

What accounts and services are affected?

All new business accounts and loans opened on or after May 11, 2018, will be subject to these changes. If you are an existing Hawaii National Bank customer, this also applies to any additional accounts, new loans or account services, loan renewals, account modifications (e.g. updating authorized signers, change of address, etc.) and services like safe deposit boxes.

What types of businesses are affected?

Legal entities, including:

- Corporations
- Limited liability companies
- General partnership
- Other entities created by a filing of a public document with a Secretary of State or similar office

Are there exemptions?

There are several types of organizations, associations and businesses that are exempt, including:

- Sole proprietorships
- Trusts and estates
- U.S. and state government entities
- Registered insurance companies
- Publicly traded companies and subsidiaries
- Unincorporated associations (such as scout troops or youth sport leagues)

What information is required?

- Name
- Physical address (personal or business)
- Date of birth
- Social Security Number or Tax Identification Number
- Identification: Driver's license, state-issued identification card, passport, **or** alien identification card

Who is responsible for providing this identifying information?

The individual opening an account (or making changes to an existing account) on behalf of a legal entity will be asked to complete a Beneficial Ownership Certification Form. This individual may be, but is not required to be, a beneficial owner of the legal entity.

Are all beneficial owners required to appear in person?

No, beneficial owners are not required to appear in person. The individual opening an account (or making changes to an existing account) on behalf of a legal entity must complete the Beneficial Ownership Certification Form, and certify to the bank that the information provided is accurate to the best of their knowledge.

Is Hawaii National Bank the only bank that is required to collect beneficial ownership information?

No. All federally regulated financial institutions are required to collect beneficial ownership information from legal entity customers.

Will I have to provide this information on a regular basis?

Once Hawaii National Bank has obtained a beneficial ownership certification for your legal entity, we may ask that you confirm the information when you open additional new accounts or modify existing accounts. If nothing has changed, we will ask you to recertify that the information is still accurate to the best of your knowledge.

What if my company is owned by another legal entity?

The Bank Secrecy Act requires identification of indirect beneficial owners, meaning those that may hold ownership in the legal entity through a series of intermediary legal entities.

How else will this information be used?

We are committed to protecting your personal information. Hawaii National Bank will not collect or use this information for any other purpose than is required under the Bank Secrecy Act.

If you have any additional questions, please call us at (808) 528-7711 or stop by your nearest Hawaii National Bank branch location.